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FOREIGN SERVICE DESPATCH

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
OCT 20 1954

DESP. NO. 303

FROM : AmEmbassy, Guatemala

TO : THE DEPARTMENT OF STATE, WASHINGTON.

DATE October 11, 1954

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REVIEWED BY

SUBJECT: Juan Córdova Cerna Resigns from Guatemalan Council of State

In a new break in Guatemala's anti-Communist leadership, Licenciado Juan CORDOVA Cerna publicly acknowledged on October 8 that he had resigned from the Council of State which President CASTILLO Armas had created at his behest as Guatemala's top planning and policy making agency. In confirming the news to reporters, Córdova Cerna gave "reasons of health" as the motive for his resignation but, although it is true that he has recently been afflicted with yellow jaundice, it was clear in political circles that there had been a new break between him and the President.

In the background of this development, there was Córdova's long-standing insistence that Castillo create a planning and policy council through which Córdova hoped to dominate the government. Castillo had been unwilling to abdicate his own power as President to Córdova to this extent and, after several weeks of friction on this issue, a compromise plan was worked out by which Castillo agreed to create a "Council of State" but only with advisory powers and to appoint Córdova to it. The President took the position that he would welcome Córdova's participation in his Government but that he, as President, would have to be captain of the team. Córdova expressed agreement to this principle, but now apparently objects to the manner in which the Council of State was set up and to the appointments made to it.

President Castillo's version of the new break on this issue--as given to the Chargé on October 9--is that he had only established the Council of State because Córdova wished it, that he had offered Córdova the chairmanship of the Council, but that Córdova had refused to cooperate. He said that he had sent Córdova the text of the decree establishing the Council several days in advance asking for comments andhad only published the decree when Córdova's failure to reply persuaded him that there were no objections. Córdova had come in with a list of suggested changes when it was too late and had also objected to the composition of the Council. On this last point, the President said the Council were his advisors and that he must appoint whom he wished.

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Córdova's point of view is not yet known but it is apparent that at the bottom of what he objects to is that the Council of State as the President has constituted it will not prove a suitable instrument with which to dominate the government. There is also controversy as to whether Castillo in fact intended to give Córdova the chairmanship of the Council: the President and his close collaborators have stated that he did and that Córdova could still have the chairmanship if he would collaborate, but there are numerous reports and one document allegedly signed by Castillo on October 1, indicating that there may have been an intention to give the chairmanship of the Council to Major Enrique T. OLIVA, ex-Junta member and trusted friend of the President.

Whatever the merits of these arguments, this latest development in the series of difficulties between Córdova and Castillo gives a clear indication that the prospects are very dim that the two men can establish a lasting cooperation. It would appear that Córdova will be satisfied with nothing less than achieving a position which would allow him to impose his ideas on the government and that Castillo will not voluntarily allow him to achieve such a position.

From the point of view of U.S. policy, this new break confirms that it will be impossible to support the conflicting viewpoints of the two men simultaneously. In the prevailing circumstances, there appears to be no feasible alternative to supporting Castillo, who has the authority of the position of President, is more acceptable than Córdova to the regular army, and is at this time the only person likely to rally enough strength from politicians and the public to stand a good chance to stabilize an anti-Communist government. At the same time, there is no question but that many persons who figured in Castillo's "Liberation Movement" wish very much to avoid having to make a clean cut choice between the President and Córdova. It will therefore be necessary, if we are to use our influence in support of Castillo, also to exert ourselves to persuade Córdova not to go into open opposition and, if he does so notwithstanding, to attempt to convince any who might be disposed to follow him not to do so.

For the Chargé d'Affaires, a.i.

John Calvin Hill, Jr.
Second Secretary

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